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Jets Strike West Beirut; PLO Accepts Exit Plan

Some Details Undecided On Peacekeeping Force

Compiled by Our Staff From Dispatches
BEIRUT — Heavy fighting broke out again Friday and Israeli jets struck in West Beirut close to the headquarters of Lebanon's premier, as Palestinian guerrillas announced final agreement had been reached on the mechanics and timetable of their evacuation from West Beirut.

Fifteen minutes after warning residents of the besieged city to flee for their lives, Israeli tank forces drove along the Museum Road, the main crossing between East and West Beirut, behind an artillery barrage. The tanks encountered heavy opposition from guerrillas, who once tried to overthrow his government.

Residents of battered West Beirut are clinging to the last strands of their sanity. Page 2.

The Palestine Liberation Organization along the Museum Road.

The heavy fighting near the crossing point beside the National Museum died down after about an hour.

PLO officials said that final agreement has been reached with Philip C. Habib, the U.S. special envoy, on all major issues regarding the departure of guerrillas from Beirut and only a few details need to be resolved.

Jamil Hila, a PLO official, said the guerrillas' leader, Yasser Arafat, had agreed that two battalions of fighters — about 700 men — would leave West Beirut by sea to the Jordanian port of Aqaba before an advance French contingent of a multinational peacekeeping force arrives.

The PLO "agreed in principle" to leave its heavy weaponry behind rather than turn it over to the Lebanese Army in the Bekaa Valley, which is controlled by Syria, he said.

He and another PLO official, Zuhair Natour, said most of the 6,000 to 8,000 guerrillas would go overland on the Beirut-Damascus highway to Syria, then to other parts of the Arab world, most of them to Egypt and Jordan. King Hussein of Jordan was reportedly prepared to grant amnesty to the

guerrillas, who once tried to overthrow his government.

The pro-Israeli fighters in the PLO would travel by sea to Aqaba along with some PLO guerrillas carrying Jordanian passports.

Other reports said Mr. Arafat and his senior aides are expected to set up new headquarters in Tunis, where the Arab League is based.

Mr. Hila said Mr. Habib had already been given a timetable specifying how many guerrillas would leave each day during the 15-day withdrawal operation. The timing of deployment of a multinational force and the length of its stay remained to be determined, PLO officials said.

"The Palestinians, Lebanese and Americans are all agreed, so it is up to the Israelis now," Mr. Hila said. Mr. Habib suggested that final arrangements could be worked out by Friday, he said.

It has been agreed, Mr. Hila said, that the French contingent would be the first to arrive and the French soldiers would immediately take over PLO front-line positions. Then contingents would arrive from Italy, Greece, the United States and possibly Canada.

French officials in Paris said they were willing to send French soldiers for a multinational force, but insisted that no troops would be sent until a cease-fire was declared.

President Elias Sarkis and Foreign Minister Fuad Boutros were present at conference between Mr. Habib and Premier Shafiq al-Wazzan to work out the final details of the evacuation operation.

"The Palestinian exit from Beirut is the core of the political settlement which we are working on," Mr. Wazzan said before the meeting. "We have reached near agreement and what we now need is implementation. I feel we have reached near a final agreement."

Shortly after he spoke, Israeli combat planes struck the heart of West Beirut's commercial district and scored direct hits on two key PLO strongholds. Witnesses said a seven-story building housing the headquarters of PLO's security

(Continued on Page 2, Col. 3)



Hundreds of cars lined up, waiting to cross into East Beirut, at the Galerie Samaan Crossing.



Civilian residents ran past Israeli tanks at the Museum Crossing in their flight from West Beirut.

Israel Rejects U.S. and UN Calls for Easing of Beirut Siege

Compiled by Our Staff From Dispatches
JERUSALEM — Israel, brushing aside U.S. and United Nations appeals, said Friday that it would not relax the siege of West Beirut and made a new threat to remove trapped Palestinian guerrillas by force.

Israel launched new air strikes on the Lebanese capital Friday, the first since Wednesday. President Reagan had appealed to Israel to halt the bombardment while negotiations continue on a peaceful Palestinian withdrawal.

Violations Reported

An Israeli Army spokesman said the Palestine Liberation Organization had repeatedly violated the cease-fire agreement.

Prime Minister Menachem Begin sent a letter replying to a strongly worded message from Mr. Reagan that urged Israel to hold its fire in Lebanon.

Officials declined to disclose its contents but leaks to the Israeli press suggested that it basically re-

iterated the decisions made Thursday night by the Cabinet.

A statement after the meeting made clear that Israel would not allow the United Nations to send observers into Beirut to monitor cease-fires and would not pull back its forces to the positions they held last Sunday before the latest round of fighting.

In Washington, Larry M. Speakes, the deputy White House press secretary, said Friday that the United States was renewing its call for Israel to withdraw to the positions it held on Aug. 1 "and to maintain a cease-fire which we think is essential for the peace process to go forward."

Mr. Speakes said Mr. Habib's mission again stood at a "critical stage."

And Alan Romberg, a deputy State Department spokesman, said the United States has been made clear to the PLO that unless there

is a prompt diplomatic resolution, "there is a real danger of military action" by Israeli forces.

In addition to refusing to pull back from Beirut and to allow UN observers into the city, the Cabinet rejected of earlier UN plans calling for a cease-fire and a halt to military activities in Lebanon.

The Israeli response prompted the Soviet Union to call for the Security Council meeting. The session was marked by acrimonious exchanges between the Soviet and Israeli representatives.

U.S. Ambassador Charles Lichtenstein said the United States vetoed the resolution "because it calls for sanctions and because it will not contribute to our goal of achieving a peaceful settlement."

The United States has asked Israel to withdraw its forces to Sunday's positions and stop its heavy bombardment to give Mr. Habib a

better chance of arranging a PLO withdrawal.

"Habib's efforts will collapse if there is not also a credible Israeli military option," the Foreign Ministry spokesman said.

Another official pointed out that 22 Israeli soldiers had been killed and about 75 injured this week. "The [United States] idea that we should throw away what these lives cost us is preposterous," he added.

Local press accounts have said that at a stormy meeting on Wednesday, Defense Minister Ariel Sharon suggested to William Brown, the U.S. chargé d'affaires, that Israel no longer had confidence in Mr. Habib.

Israel was skeptical of reports of a breakthrough in negotiations, a senior Foreign Ministry official said. "It's probably one more attempt by the PLO at a delaying tactic," he said.

Israeli newspapers reported that Mr. Begin replied to Mr. Reagan that Mr. Habib was making no progress.

According to the press, Mr. Reagan wrote that Israel's military actions in Beirut were putting its relations with the United States "in the balance."

Meanwhile, an opinion poll published Friday showed Israeli public support for the war in Lebanon has dropped from 83 percent to 76 percent over the past month.

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Nicaragua Breaks Relations

MANAGUA (AP) — Nicaragua has announced that it was breaking diplomatic relations with Israel "in view of the grave circumstances occurring in the Middle East, specifically the genocide of the Palestinian and Lebanese peoples."

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Tentative Steel Accord Reached, But Major U.S. Firm Opposes It

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. and European Economic Community negotiators announced Friday that they had reached an agreement to end a trade dispute by limiting West European steel exports to the United States.

The agreement still has to be approved by EEC member countries and the steel industries in Europe and the United States.

Howard David Roderick, the chairman of U.S. Steel Corp., rejected the agreement. "We believe the negotiated proposal is neither fair nor equitable and to accept it would condone a continuation of massive subsidies by European governments," Mr. Roderick said in a statement.

U.S. Steel's decision was seen as a major threat to the accord, which was contingent on the withdrawal by U.S. industry of unfair trade complaints against the EEC and its member nations.

The American specialty steel industry advisory group also rejected the pact.

The negotiators did not release details of the accord, but U.S. and Common Market sources said it would limit European steel exports to 5.8 percent of the American market for three years. Last year,

European exports accounted for 6.4 percent of the steel sold in the United States, or about 6 million metric tons. This compared with 3.8 million metric tons in 1980.

In exchange for the agreement, U.S. companies would be expected to withdraw suits they have filed against Belgium, Britain, France, Italy, Luxembourg, the Netherlands and West Germany.

According to trade sources, the agreement would take effect in October and extend through 1985.

[A European official said it had been decided that the two sides would try to reach a separate agreement on pipes and tubes by the middle of September. The Associated Press reported. Tube and pipe account for almost one-fourth of European steel exports to the United States.]

The official identified the products covered by the accord as hot rolled sheet and strip, cold rolled sheet, plate, structural, wire rods, hot rolled bars, coated sheet, tin plate, rails, stainless steel sheet and strip, and stainless steel plate.

The agreement was announced in a statement released by Commerce Secretary Malcolm Baldrige and two EEC officials. Edmundo Aguirre of Belgium and Wilhelm Häfnerkamp of West Germany.

"We believe that this arrangement would be a major step toward ending the constant litigation and dispute over trade in steel, which has been a source of constant irritation between the European Community and the U.S. for many years," the statement said.

Without the agreement, anti-dumping suits could have resulted in formal imposition of punitive U.S. duties against European steel products. The Commerce Department already has issued a preliminary finding that nine nations, including seven in the Common Market, had unfairly subsidized the exports.

In London, a spokesman for the state-owned British Steel Corp. called the tentative agreement a favorable development. If the agreement is ratified, the U.S. market would not be closed to the company, as it may have been by stiff anti-dumping duties, he said.

In Paris, a spokesman for the French Industry Ministry said the accord was welcome because it put an end to unnecessary commercial squabbling, but he added that France was still unhappy about U.S. allegations of steel dumping.



Red Cross workers carried away victims of the Israeli air strikes Friday on West Beirut.

INSIDE

■ The House rejected a resolution calling for an immediate freeze in nuclear weapons development. The vote, although very close, was regarded as an important White House victory. Page 2.

■ Italian Premier Giovanni Spadolini is expected to resign Saturday following the withdrawal of the Socialist Party from the five-party government coalition. Page 2.

■ Trading in the Mexican peso ground to a virtual halt after the government introduced a two-tier exchange system seen as an effective devaluation. Page 7.

■ MONDAY: A special supplement reports on Pakistan.

Poles Begin Pilgrimage

WARSAW — Tens of thousands of Poles set out Friday on a 150-mile pilgrimage to the shrine of the Black Madonna at Czestochowa. The pilgrimage, an annual event, will last nine days. The first pilgrimage took place in 1711 when citizens walked to Czestochowa to entreat the Madonna to stop an epidemic in the city.

Latin America Struggles With Debt

Plight Raises Question About How Loans Affect Politics

By Stanley Meisler

Los Angeles Times Service

RIO DE JANEIRO — At the beginning of the century, President Theodore Roosevelt fretted over the increasing failure of Latin American governments to pay their debts to European banks.

He feared that European rulers would send their troops to collect the money and make a mockery of the Monroe Doctrine. German and English gunboats had already bombarded Venezuela to force payment of debts.

So Roosevelt decided that the United States would have to act as a policeman, keeping its poor-risk neighbors solvent and honest. After the Dominican Republic went bankrupt in 1904, Roosevelt intervened, sending U.S. tax officials to the Caribbean island to collect customs revenue for European bankers.

When the revenue-collecting system in the Dominican Republic was threatened by civil strife, President William Howard Taft and Woodrow Wilson sent Marines to restore order. By 1916, the Dominican Republic was under U.S. military occupation. In a similar way, the failure to pay bank debts led to the Marine landing in Haiti in 1915 to save the gold in the Central Bank.

No one expects the United States to dispatch its Marines to Latin America these days to straighten out finances. But it is true that the world's bankers, in less than a decade, have lavished loans of incredible size on some countries in Latin America, and there are great fears that some of the loans may never be paid back.

Brazil's government and private businesses owe \$71 billion to foreign bankers, more than any other country in the world, according to the latest unofficial estimates. Mexico owes \$70 billion, Argentina \$36 billion, Venezuela \$19 billion, Chile \$15 billion and Peru \$10 billion. Costa Rica, with a debt of \$2.6 billion, is in deep financial trouble, and some analysts believe it may be the first to default.

As these countries, in a worldwide recession, struggle to sell as much as they can to earn foreign exchange to pay back these debts

and borrow even more money to meet payments, serious questions are being raised as to what the bankers have wrought. Some Latin Americans insist that the economic problems caused by excessive borrowing encourages the establishment of repressive governments.

Other analysts, however, believe the bankers themselves are in far more trouble than the borrowers and see history repeating itself.

In the 19th century, Barings, a British bank, poured money into the booming economy of Argentina. But government corruption soon undermined the confidence of investors in the economy, a phenomenon that the bankers had not counted on, and the Argentines, caught in bankruptcies, could not pay back the loans. All the banks of Britain formed a committee under the leadership of Lord Rothschild to raise £17 million and rescue Barings from collapse.

In his recent book, "The Moneylenders," the British journalist Anthony Sampson wrote that, since the early 1970s, bankers

said last year after the administration suspended the strategic cooperation agreement with Israel following the Israeli bombing of the Iraqi nuclear reactor.

"This time we are at war, and there is no doubt the reaction will be on the ground," he warned. "It will be very painful."

The official, who was interviewed on condition he not be identified by name, was clearly anxious to deliver the warning to administration officials in Washington, including President Reagan, who have been expressing mounting anger and frustration over the latest military moves into West Beirut.

The official declined to specify what he meant by a reaction "on the ground," but he clearly meant to imply some form of military action in the region, and he appeared to be alluding to the presence of Syrian forces in the Bekaa Valley in eastern Lebanon.

In addition to demanding the withdrawal of the Palestine Liberation Organization fighters from Lebanon, Israel has said its invasion forces will withdraw only when there has been an agreement that all foreign forces leave the country.

At the same time that the warning on sanctions was being delivered, Israeli officials briefing foreign correspondents explicitly rejected Mr. Reagan's demand for a pullback by Israeli forces to the lines they held before the latest incursion into key points in the city.

Arguing that the only hope for a peaceful withdrawal of the PLO forces lies with Israel's continued threat to exercise its "military option," the officials said that an Israeli withdrawal would mean the immediate collapse of the negotiations being conducted by a special U.S. envoy, Philip C. Habib.

Link to Negotiations

"They must know that if they do not leave peacefully they will be taken out by force," the officials said of the guerrillas. "Whatever slim chance there is that the PLO will leave, it would be by way of pressure on the ground."

A senior official predicted Friday that if there was no progress in the negotiations in the next "two or three days," Israel would launch a new, possibly larger assault on West Beirut.

Senior officials held out little hope that the mission by Mr. Habib would succeed. Asked about reports of PLO willingness to leave the city, they said Israel had received no reports to that effect from Mr. Habib and had no indications that "there is anything serious in all this talk."

U.S. Unemployment Rises to 9.8%

Increase in July Follows 3 Months of Little Change

Compiled by Our Staff From Dispatches

WASHINGTON — Unemployment in July climbed to 9.8 percent, setting another post-World War II record, the government reported Friday.

The seasonally adjusted jobless rate had held nearly steady through spring, rising from 9.4 percent in April to 9.5 percent in May and June. Summing up the newest figures, however, a Labor Department spokesman said, "The employment situation data released today show little labor market strength in July."

The department said that about 10.8 million Americans were officially unemployed and looking for jobs last month, about 360,000 more than in June. About 1.5 million others have given up on trying to get work, the government reported last month.

July's jobless rate for adult males rose to 8.3 percent. Unemployment for blacks held steady at 8.5 percent, although the jobless rate for black teens declined slightly to 49.7 percent from 52.6 percent in June.

is the highest since the 9.9 percent for all of 1941, at the end of the Depression. In the past 13 months, the unemployment rate has risen from 7.2 percent to 9.8 percent and

The Senate extended unemployment benefits, then approved more cuts in spending. Page 3.

the number of unemployed has grown by 2.9 million.

Some economists caution that unemployment could well climb even higher, despite some signs that a modest recovery from the recession is beginning — or is about to begin. Employers usually are slow to rehire workers until a recovery is well under way.

"I think about 10 percent will be the highest," said David Ernst, a vice president at the consulting firm of Evans Economics in Washington. He suggested that the unemployment rate would rise for the next couple months, "then hover around 10 for a while because of the slow recovery."

The Reagan administration fore-

cast last month that unemployment will be over 9 percent at year-end and will average just below 8.5 percent in 1983. Commerce Secretary Malcolm Baldrige, who has been willing to acknowledge discouraging economic signs in the past, said recently that he does not believe the jobless rate will reach 10 percent.

Responding to the latest figures, Larry M. Speakes, the White House spokesman, said President Reagan remains deeply concerned about unemployment but believes that enactment of his economic program will provide a permanent solution. Mr. Speakes also said that unemployment is a "lagging indicator," one that runs behind other signs of the economy's health.

Canada's unemployment rate also rose in July. In Ottawa, Statistics Canada reported Friday that the rate surged to 11.8 percent from June's 10.9 percent. The number of unemployed climbed to a record 1,386,000 last month, up 66 percent from a year earlier. July was the 11th consecutive month of declines in employment.

House in U.S. Rejects Nuclear Arms Freeze, Backs Geneva Process

Compiled by Our Staff From Dispatches
WASHINGTON — The House rejected a resolution Thursday calling for an immediate freeze in production, deployment and testing of nuclear weapons after having been repeatedly warned that such a measure would interfere with U.S.-Soviet arms negotiations.

Instead, by a vote of 204 to 202, it adopted a substitute resolution endorsing ongoing strategic arms talks in Geneva to achieve "an equitable and verifiable agreement which freezes strategic forces at equal and substantially reduced levels."

Fifty-three Democrats voted with 151 Republicans for the substitute.

Although the margin was narrow, the vote was an impressive victory for the White House, which had lobbied intensely against the freeze resolution since the measure was adopted by the House Foreign Affairs Committee in June. Rep. Clement J. Zablocki, Democrat of Wisconsin, chairman of the committee, led the forces supporting the freeze.

Reagan Calls

The White House deputy press secretary, Larry M. Speakes, said that up to the last moment Mr. Reagan was making calls to House members still undecided on the issue.

Mr. Reagan said the House action "provides strong support for our negotiators in Geneva. He said it 'signals to the Soviet Union the American people's determination to seek peace through arms control agreements that will effectively reduce the nuclear arsenals of both sides.'

Before the vote on the freeze resolution, Rep. William S. Broomfield, Republican of Michigan, the principal sponsor of the substitute resolution, read a letter from Mr. Reagan saying that adoption of the freeze would give Soviet negotiators in Geneva an impression that the United States would settle for less than it has already proposed in the arms negotiations.

Neither of the resolutions considered by the House was binding,

but the issue was debated at length because of the grass roots interest in a freeze that has swept the United States in recent months.

On the House floor, the debate boiled down to a question of whether a freeze should come before or after negotiations on reduced levels of nuclear arms.

Those who favored a freeze argued that there was strategic parity between the superpowers: that is, that the Soviet Union and the United States had roughly comparable nuclear strategic forces. Opponents of the freeze echoed Mr. Reagan's view that the Soviet Union had a margin of strategic superiority over the United States and that a buildup was required so that a freeze would not place the nation in a militarily disadvantageous position.

Hiroshima Bombing

Rep. Broomfield, in his closing argument, insisted that the freeze resolution would actually lock nuclear arsenals into place at higher levels than a freeze farther in the future.

In adopting the committee-approved freeze, he said, the House would in effect "repudiate the president's initiative in strategic arms reduction talks just as they are getting off the ground."

The floor fight occurred on the eve of the 37th anniversary of the atomic bombing of Hiroshima in World War II and a week after the House had authorized a \$197-billion military budget, which included funds for new strategic weapons such as the B-1 bomber and the MX intercontinental ballistic missile.

Rep. Henry J. Hyde, Republican of Illinois, insisted that reductions must come first and a freeze, perhaps later. "If we freeze now, we are freezing with their hands at our throats," he said. "And I'd rather that they take their hands down and back up some, and then freeze."

A much more general arms control proposal that does not call for a freeze in place has been approved by the Senate Foreign Relations Committee. It is uncertain whether it will ever come to a vote on the floor.

Russians Retaliate Over Glen Cove, Bar U.S. Envoys From Beach Area

New York Times Service

NEW YORK — The State Department has announced that the Soviet Union has barred U.S. diplomats stationed in Moscow from a swimming area along the Moskva and Volga Rivers. The area is a favorite with diplomats stationed in the Soviet capital.

The decision by Moscow was made 10 days after the city of Glen Cove, N.Y., reaffirmed its decision to bar Soviet diplomats from its golf courses, tennis courts and beaches.

A spokesman for the State Department, Joseph W. Reap, said: "We regret this decision on the part of Soviet authorities. Neither side can benefit from an escalation of mutual restrictions on each other's diplomats."

In May, the Glen Cove City Council voted to deny Soviet diplomats the use of the town's recreational facilities. The Russians own a 49-room mansion in Glen Cove and local officials accused the Russians of using their mansion to eavesdrop on telephone calls and other communications related to Long Island's high-technology and defense industries. The officials have also complained about the tax-free status of the Soviet property.

The U.S. Embassy rents a dacha for its personnel on a wooded seven-acre estate near the Bay of Joya, a widening-out of a canal linking the Moskva and Volga Rivers, about 15 miles north of the city.

U.S. Revokes Soviet Newsman's Credentials

WASHINGTON (UPI) — The State Department revoked the press credentials of Melor Sturua, a Soviet correspondent for the government newspaper Izvestia in retaliation for expulsion of a Newsweek reporter from the Soviet Union.

It said that Mr. Sturua, who is on home leave in Moscow, would not be accredited again until the Kremlin restored the credentials of the Newsweek correspondent, Andrew Nagorski.

Copenhagen Lawyer Evasive On Ad Showing Danish King

The Associated Press

COPENHAGEN — Who is Kurt Bergstrom, and why does he want the world to remember Denmark in October, 1943?

Mr. Bergstrom's name appeared in Friday's issue of the International Herald Tribune at the bottom of a full-page photograph of the Danish King Christian X.

"Denmark, October 1943. Don't you remember?" was the only other text.

Gunnar Homann, a Copenhagen attorney who said he repre-

sented Mr. Bergstrom, was evasive about the man who the Herald Tribune said paid 139,920 French francs, or more than \$20,000, for the advertisement.

"I am not allowed to put you in contact with my client," Mr. Homann said. He refused comment on Mr. Bergstrom's politics, profession, residence, nationality or anything else.

He would only hint at the advertisement's meaning, indicating that it alluded to the escape from the Nazis of thousands of Danish Jews in 1943.

"You remember what happened on Oct. 23, 1943," he said. "I think it is a fact that the Jewish people at that time succeeded in getting away with somebody's help. It seemed all right to remind the world of that."

On the date Mr. Homann mentioned, the eve of a Berlin-ordered roundup of Danish Jews, thousands escaped to neutral Sweden. Many were smuggled out by the Danish underground.

A legend grew that he rode his horse through the streets of Copenhagen wearing the yellow Star of David, the Nazis forced Jews to wear; Danes who lived through the war say it was wrong.

The photograph in the advertisement shows Christian on his horse, but no Star of David is visible.

Earthquake Hits Aleutians

United Press International

GOLDEN, Colo. — A moderate earthquake struck the Andreanof Islands in the Aleutians Thursday, the U.S. Geological Survey reported. The quake was centered about 40 miles (65 kilometers) southeast of Adak Island and was felt on Adak.

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Unrest in East Africa Upsets U.S. Equations

Kenya Coup Attempt and Somalia Insurgency Underline Vulnerability

By Alan Cowell

New York Times Service

NAIROBI — The stretch of Indian Ocean coastline that runs from the tip of Africa's horn to southern Kenya is, through the prism of East-West rivalry, American turf.

The region extends inland, too, to Sudan and, beyond to Uganda, to Zaire, spread across the continent's midriff. Further south from here, in Tanzania and Mozambique, the United States is not an ally, but the host of "impromptu" military conferences, with suspicion or hostility. Elsewhere in East Africa, Ethiopia is deemed a Soviet asset.

The lineup has remained constant since the last major realignment that began with Ethiopia's revolution in the mid-1970s. But recent upheavals, with an insurgency in Somalia and an attempted coup in Kenya this week, have reaffirmed an appraisal among Western officials here that the spheres of influence are not immutable.

Reassessment Under Way

In Kenya's case, particularly, the failed attempt by low-ranking air force personnel to overthrow President Daniel arap Moi has, the analysts said, forced a reassessment in the West of a nation once viewed as a model of political stability that somehow stood apart from the rest of Africa's economic deprivation and sputtering unrest.

The rebellion here involved air force units based just outside Nairobi and at the northern settlement of Nanyuki. Mr. Moi, who is the current chairman of the Organization of

African Unity, announced to diplomats Thursday that he would not be attending what was to have been the opening session of the group's annual summit conference. The meeting, this year, is being held in Tripoli, Libya, but has not so far been able to muster a quorum.

The absence of the quorum was cited by Mr. Moi as his reason for staying home, but some Western officials here said it seemed a quorum.

NEWS ANALYSIS

The Kenyan leader would prefer not to leave the country at a time of continuing nervousness following the rebellion.

The strategic impact of the rebellion is still being assessed by Western embassies here. But one assumption is that, in both Kenya and Somalia, Western influence will register short-term gains because of the recent unrest but cannot count on maintaining its sway indefinitely.

In Somalia, the United States has airlifted arms supplies to President Mohammed Siad Barre to help him counter an insurgency involving anti-government rebels, reportedly supported by Ethiopian regulars and financed in part by Libya. The military deliveries, according to Western analysts who asked not to be further identified, will probably augment Washington's clout with the Somali government.

In Kenya, the officials said, suspicion among Mr. Moi's colleagues that his removal would have been welcomed by Moscow will probably reinforce the Nairobi government's

leanings toward Washington, with which it has a military access agreement permitting U.S. warships to use the port of Mombasa. The United States is also training some units of the Kenyan Army which, apparently, remained loyal in the coup.

The longer-term assessment, however, is beset by doubts, largely because Kenya's stable image has been broken.

The upheaval focused unaccustomed attention on the economic and tribal strains in Kenyan society that could undermine its long-term stability as a strategic counter for the West. With a population growth rate of 4 percent, and limited available land, the forecast among Western analysts is for continuing tensions emanating from migration to the cities and difficulties in growing enough food for the entire nation, whose population is forecast to increase from 16 million to 32 million over the next 16 years.

A similar question mark hangs over the ethnic balance in a nation that has been dominated by the Kikuyu people since independence from Britain in 1963.

Kenya's founding president, Jomo Kenyatta, belonged to the Kikuyu group and, although Mr. Moi belongs to the small Tugen tribe, much of the influence in his government is rooted in the Kikuyu hierarchy established by Mr. Kenyatta, Kenyan sources said.

Largely left out of the upper echelons of government are the Luo people who claim to be the nation's most populous group — an assertion disputed by the government.

Italian Premier Is Expected to Resign

Compiled by Our Staff From Dispatches

ROME — Giovanni Spadolini, Italy's first premier since World War II from outside of the Christian Democratic Party, is expected to resign Saturday following the withdrawal Friday of the Socialist Party from the five-party government coalition, political sources said.

The government's seven Socialist ministers decided Thursday night to quit the coalition to protest a parliamentary defeat of financial measures decided by the 28-member Cabinet last Saturday.

The Chamber of Deputies, the lower house of Parliament, rejected Wednesday by a vote of 223 to 198 a Socialist tax bill that was part of a government austerity package to trim the 1982 deficit, estimated at the equivalent of \$47 billion.

At least 30 coalition-party deputies joined the opposition in the secret vote that defeated the measure.

The Socialist Party leader, Bettino Craxi, accused members of the other coalition parties of reneging on a commitment to vote for the program, thus "violating precise agreements among the parties of the coalition."

"Under these conditions, the



Giovanni Spadolini



Bettino Craxi

country is literally ungovernable," he said.

The Chamber of Deputies voted against the measure that would have made petroleum companies pay taxes within 15 days of distributing products to retailers and would have forced them to pay interest rates of 18 percent on unpaid taxes during the grace period.

The present law gives the com-

panies a 30-day grace period, and they do not pay interest. The oil industry claimed that the bill would add the equivalent of \$825 million to their costs for the year.

The expected fall of the 13-month-old government, Italy's 41st since the war, would inaugurate a new period of political and economic instability for the country. Mr. Spadolini, leader of the

small but influential Republican Party, reported to President Sandro Pertini on the crisis. The premier is expected to hand in his resignation after a Cabinet meeting Saturday, the sources said.

The two main coalition partners — the dominant Christian Democrats and the Socialists — have been involved in a long power struggle that has brought the government near to collapse twice this year. Although the Socialists had only 10 percent of the popular vote, they are the second largest party in the government. Their support has been essential to give the Christian Democrats a parliamentary majority over the Communists, the second largest party in the nation. The other parties in the Cabinet are the Social Democrats, the Republicans and the Liberals.

The Christian Democrats, forced to cede the premiership to Mr. Spadolini in June of last year following a scandal over the secret Masonic lodge Propaganda Due, are opposed to early elections, not due before 1983. But the Socialists believe that the 30 coalition deputies who voted against the financial measures were Christian Democrats, fully aware that this could spell the end of the government.

Israeli Jets Renew Attack On W. Beirut

(Continued from Page 1)

forces, known as "Squad 17," was flattened. Red Cross rescue teams said 10 were killed and 25 wounded; the Palestine Liberation Organization put the number of people killed or wounded at 250.

Israeli jets also struck the 30-story Murr Tower, an office building under construction used by the PLO because it overlooks the Green Line dividing the Moslem West and Christian East sectors of Beirut.

Guerrillas fired barrages of anti-aircraft fire at the incoming Israeli jets.

Refugees, camped out in tents at the nearby Public Gardens, scrambled for cover as bombs began falling nearby.

Friday's raids shattered a lull that followed Israel's devastating assault Wednesday on West Beirut. According to Lebanese authorities, at least 250 persons were killed in the assault Wednesday and 670 were wounded. Israel said 19 of its jets had been killed and 64 wounded.

During a lull in fighting, an estimated 12,000 of about 500,000 civilian residents fled to countryside refugee centers across the Golan Heights, a UN-occupied strip of land between Israel and Syria.

West Beirut was deprived of water and electricity for the 12th straight day with no sign that Israel was prepared to ease its blockade before the Palestinians left the city. There is also a shortage of food.

A UN report warned Friday that typhoid and paratyphoid could spread quickly if water is not soon restored. Most of the children are already ravaged by diarrhea, the UN Disaster Relief Organization said.

Jordanian Amnesty Expected
AMMAN (WP) — King Hussein of Jordan is prepared to grant amnesty to Palestinian guerrillas who once tried to topple his throne if that will facilitate a peaceful evacuation of the PLO guerrillas, according to palace and government officials.

In discussions in the capital Friday, officials said an amnesty could be offered to several thousand guerrillas in Beirut who hold Jordanian passports or residency papers and who have been on the rolls of the security forces since September, 1970, when the King Hussein expelled the PLO from Amman, after they sought to take control of the city much as they have done since in West Beirut.

The king, who will celebrate his 30th anniversary on Wednesday, throne next week, promised to take in 1,800 to 2,500 Palestinians from Beirut when he met with Mr. Ha-



Rescuers dig through the wreckage of a seven-story building flattened Friday by Israeli bombs.

bib in London a week ago, according to palace sources.

The one condition for their entry, however, was that they come to Jordan "without guns" just as any other Jordanian is required to do, according to Adnan Abu Odeh, information minister.

French Embassy Attack

PARIS (UPI) — French diplo-

omats in Beirut believe Israeli artillery attacks that wrecked the ambassador's residence Wednesday were deliberate. Foreign Ministry officials said Friday.

France has co-sponsored a UN resolution calling for withdrawal of both Israeli and Palestinian forces from Lebanon and negotiations that include the PLO.

The diplomats said that French flags were flying almost all around their residence and nearby embas-

sy and that the Israelis "had the target in their sights and shot."

The attacks against the ambassador's residence in West Beirut ended Wednesday after a protest from the Foreign Ministry was delivered to the Israeli ambassador in Paris, the officials said. The embassy was damaged less seriously in bombardments later Wednesday and was partly evacuated.

Three persons were injured in the bombing of the residence.

Shattered Beirut Clings to Last Shreds of Sanity

By Thomas L. Friedman

New York Times Service

BEIRUT — West Beirut's civilian population emerged from their homes, shelters and basements Thursday morning to survey the damage like people who had been hit by an earthquake. Gently, they picked through the rubble around their apartments, never knowing when the next tremor would hit.

Wednesday's Israeli bombardment seems to have left many residents of West Beirut clinging to the last shreds of their sanity.

For the first time since the war began, the Israelis dropped any pretense of trying to distinguish between civilian and military targets.

Many West Beirut residents are saying that the Israelis have undertaken a campaign of terror to force them to flee to the Christian east half of the capital. They cite as evidence the number of buildings hit by shellfire around West Beirut's central Hamra Street, which is far from any Palestine Liberation Organization positions.

According to the state-run Beirut Radio, Wednesday's bombardment left more than 300 civilians dead. The lesson was clear: There is no safety anymore in PLO-controlled West Beirut.

Institutions Hit

Hit Wednesday were the great landmarks and institutions of West Beirut. The An-Nahar newspaper, which printed every day during the 1975-76 civil war, did not publish on Wednesday. Its 50th anniversary, an Israeli phosphorus shell hit the building's fourth floor, sending a ball of chemical fire cascading down a hallway into the offices of Newswatch and United Press International. The orange chemical burns were visible around the door frames Thursday morning.

The Express Restaurant, where West Beirut intellectuals often gathered, was hit, as were the headquarters of the prime minister, not published on Wednesday, the Ministry of Information and the two functioning luxury hotels, the Bristol and the Commodore.

But the bombs and shells did not just hit well-known sites. A gas station across from the Bristol was gutted by shellfire. A car was crushed flat by a slab of concrete blown off a building. A travel agency on Hamra Street was blackened by a phosphorus shell. And an apartment house near Beirut University College had the top three floors blasted off.

"Yesterday, everybody got a shell," a West Beirut resident said Thursday.

The Israelis have repeatedly warned West Beirut's 500,000 civilians to leave, and many have done so.

Upper Classes Left

For the most part, however, those who left were from the upper and middle classes, people who may have had savings to live on and possibly even a second home in the mountains.

But the poor and the lower-middle class — the taxi drivers, the government employees, the shopkeepers — have nowhere to go and no money to spend. Many who left

WORLD BRIEFS

Reagan Picks New Economic Adviser

WASHINGTON — President Reagan on Friday selected Martin S. Feldstein, an economics professor at Harvard University, to replace Murray L. Weidenbaum as chairman of the Council of Economic Advisors.

If confirmed by the Senate, Mr. Feldstein, 42, will take a two-year leave of absence from Harvard, where he has taught since 1967, according to a White House statement. He is president of the National Bureau of Economic Research, a member of the National Productivity Advisory Committee and the president's Private Sector Survey on Cost Control in Government. Mr. Weidenbaum resigned last month to return to Washington University in Saint Louis to teach economics.

The three members of the council interpret economic data for the president and work with the Treasury and the Office of Management and Budget in drawing up economic advice for the chief executive.

EAU Still Unable to Hold Meeting

TRIPOLI — Libya announced Friday that 31 nations were represented here for an Organization of African Unity summit meeting that failed to open Thursday because of a boycott by 18 states.

The number still fell short of the two-thirds quorum of 34 required for the annual summit conference to take place. The boycott followed the admission earlier this year of the Saharan Arab Democratic Republic, proclaimed by the Polisario guerrillas fighting Morocco for control of the Western Sahara.

In what was regarded as a last-minute attempt to entice more nations to come to Tripoli, Libya said in a communiqué that the Saharans would not take part in the planned conference; the Nigerian-sponsored compromise was worked out last week by foreign ministers in Tripoli.

Corsica to Vote Sunday for Assembly

AJACCIO, Corsica — Against a backdrop of increased bombings of government buildings, the residents of this French island vote Sunday for a regional assembly and their first real measure of independence from Paris in 213 years.

The government of President Francois Mitterrand has made regional decentralization a key part of its political strategy. Corsica, plagued by separatist violence in recent years, was chosen as the first region to undergo the experiment of limited local autonomy. France's 21 other regions will not vote for assemblies for at least two years.

Explosions leading up to the election have caused no injuries but have damaged a number of commercial and government buildings. The police say the bombings are apparently the work of a splinter group of the National Liberation Front of Corsica.

S. African Rebels Sentenced to Death

PRETORIA — Three members of the outlawed African National Congress, which is pledged to overthrow white rule in South Africa by force, were sentenced to death Friday for rocket and grenade attacks on three police stations.

The three men, Thelie Simon Mogoerane, 23, Jerry Semano Mosololi, 25, and Marcus Thabo Motuana, 27, were convicted Wednesday in a provincial Supreme Court of high treason, four murder charges and 16 other counts. Four persons died and 10 were injured in the attacks, which took place last year.

The defendants' lawyer, Jack Unterhalter, had argued for leniency, saying the men were not common criminals but were dedicated to fighting for the freedom of their people. The defendants admitted taking part in the attacks on the Moroka and Orlando police stations in the black township of Soweto and the Wonderboomport police station near Pretoria.

U.S., Bonn Discuss Moving Troops

BONN — West Germany and the United States are negotiating on U.S. plans to redeploy several Army brigades closer to the border with East Germany, the West German government reported Friday.

Lothar Ruelh, a government spokesman, said the two sides differed over financing of the "master restoration plan," which Washington says will bolster NATO's forward defense. He said senior U.S. and West German officials would meet in Bonn next month to debate the findings of a study on the plan.

The daily Frankfurter Rundschau said the plan involved moving brigades from Frankfurt, Wiesbaden and Mannheim between 1985 and 1995. President Reagan will discuss the issue with Chancellor Helmut Schmidt if Bonn does not agree to make a financial contribution, it said.

Agency Withdraws Benzene Finding

WASHINGTON — An international health agency has withdrawn a finding that legally acceptable amounts of benzene may cause cancer. The withdrawal came after a federal official and chemical industry representatives urged the group not to make such assessments.

Richard Adamson, director of the National Cancer Institute's division of cancer prevention, asked the International Agency for Research on Cancer to delay any attempt to evaluate the amount of suspected carcinogens that should be considered unsafe. Mr. Adamson acted after discussing the issue with officials from Exxon, Shell Oil and the Chemical Manufacturers Association.

The international agency recently published a paper on benzene that deleted a key reference to a government study, which had been approved by its own panel of scientists, in which 17 factory workers died after exposure to tiny amounts of benzene. The workers were said to have been exposed to the legal limit of 10 parts of benzene for every million parts of air.

U.S. Agency Backs Breeder Reactor

WASHINGTON — The Nuclear Regulatory Commission voted Thursday to allow the administration to speed up construction of the \$3.2-billion Clinch River breeder reactor in Tennessee.

The panel agreed to permit the Department of Energy to bypass normal licensing requirements and to begin initial construction as early as next week at the site in Oak Ridge, Tenn. The commission rejected two similar exemption bids by the administration earlier this year.

The National Resources Defense Council and the Sierra Club, environmental groups that oppose the project, said they would seek immediate court action to block the commission's decision. Supporters of the project called the decision a victory for the administration, which wants to build an experimental plutonium-fueled reactor at the site. The reactor would produce more nuclear fuel than it consumes.

Marcos Foes Urge Transitional Rule

MANILA — The largest opposition group in the Philippines said Friday that a transitional government without President Ferdinand E. Marcos was the only way of saving the country from either military rule or revolution.

Former Sen. Salvador Laurel, president of the United Nationalist Democratic Organization, which groups established critics of the Marcos administration, said that active opponents of the government were becoming increasingly impatient with Mr. Marcos having no designated successor. Mr. Laurel said, "We have decided to press for the immediate implementation of our proposal for a transition or caretaker government."

But he acknowledged that the 64-year-old Philippine leader, in power for almost 17 years, held the key to any such move. "We are still under one-man rule," he said. "The consent of one man is all that is needed."

Compiled From Agency Dispatches

مكتبة الأمل

U.S. Senate Extends Benefits for Jobless, Cuts More Spending

WASHINGTON — The Senate interrupted consideration of a bill to cut spending and adopted a measure designed to give extra aid to thousands of workers who have exhausted their regular unemployment insurance.

Voting 84 to 13 Thursday, the Senate approved a resolution calling for the extended benefits. Later Thursday, it resumed consideration of a bill that would reduce the budget deficit during the next three years by \$12.7 billion, mainly through spending cuts. That measure was approved 73 to 23 and sent to the House.

That bill would save \$5 billion over the three years by imposing a 4-percent annual limit on cost-of-living increases in pensions paid to federal retirees. The House has already rejected that provision. Other major Senate savings include \$2.5 billion from food stamps and \$1.5 billion from a freeze on dairy price supports.

The measure, together with \$17 billion in cuts in Medicare, Medicaid and welfare that the Senate approved earlier, means the Senate has now agreed this year to \$30 billion in spending reductions by fiscal 1985, or about \$3 billion more than mandated by the budget resolution that Congress adopted earlier this summer.

House-Senate Conference

The House cuts are expected to amount to less, and conferences should be scheduled to settle the differences. Already in conference are the Medicare, Medicaid and welfare cuts voted earlier, together with a three-year, \$98.5-billion tax increase the Senate also approved.

In a conference Thursday on the tax bill, representatives of the two houses agreed on an increase of

about \$6.5 billion during the next three years in unemployment taxes paid by business, and on about \$2.6 billion in various Medicare and Medicaid cuts.

Thursday's resolution on the unemployment program would postpone new rules that Congress approved as part of its budget cuts last year and that are scheduled to take effect in September.

The postponement would let the government continue paying extended unemployment benefits — 13 weeks in addition to the 26 to which insured workers are entitled — in states that are eligible for the extended program. Without that provision, a dozen states and hundreds of thousands of workers would be dropped from the extra 13-week program in September.

52 Weeks Possible

The measure would also add at least 10 and possibly 13 additional weeks of eligibility to the 39 now provided in states that most seriously affected by the recession, for a possible total of 52 weeks in all.

Meanwhile, President Reagan sought Thursday to quell an uproar among conservatives over the tax increase bill.

He summoned to the Oval Office two of his long-time advisers, Martin Anderson, an economist and former White House domestic affairs chief, and Lyn Nofziger, former White House political director.

They were among two dozen conservatives who attended a conference Wednesday night to oppose the bill.

Administration sources said Mr. Reagan was firm in his insistence on backing the tax increase and asked Mr. Nofziger and Mr. Anderson not to undermine his efforts.

Brazilian Assails Proposal to Use Defoliants to Clear Land

By Warren Hoge

New York Times Service

RIO DE JANEIRO — Brazil is considering the use of toxic defoliants to clear a swath of the Amazon jungle for a hydroelectric project, and the country's environmental chief has warned that such action could set a precedent leading to the extinction of the world's rain forests.

Paulo Nogueira Neto, secretary of the environment, sounded his alert in a letter in May that only recently came to light. "If you invent this 'atomic bomb' now," he warned, "no one will come along to disinvest it and nobody will be able to control it."

His protest was directed at officials overseeing the construction of the mammoth Tucuruí Dam on one of the Amazon tributaries that will create a body of water nearly twice the size of Lake Champlain. Vegetation must be stripped from the path of the water to prevent decomposition from corroding the turbines.

The company charged with clearing the area fell behind schedule and proposed the use of defoliants dropped from planes as the only way to get the job

done by September, 1983, when construction is scheduled to begin.

The supervisory company, Eletronorte, asked the National Institute of Amazon Research, a government body that has traditionally studied ways of preserving rather than destroying the jungle, to explore the consequences. Then Mr. Nogueira stepped in.

As a university professor, he wrote, "I am favorable in theory to the stimulation of technological and scientific research, but there are projects that violate ethics and should not be approved."

His letter was sent to Henrique Bergamin, head of the institute. Mr. Bergamin believes that his institute's research into the subject could in fact signify a rational treatment of natural riches, and he objected to Mr. Nogueira's acting to stifle the inquiry.

Let's suppose the results were "good," Mr. Nogueira countered in an interview. "It would constitute a method of destroying tropical forests, and research should not pursue that."

The minister of the interior has ordered an end to the study, but Mr. Nogueira said that the dam builders consider the prospect still open.

The World Wildlife Fund in March gave Mr. Nogueira and Maria Tereza Jorge Padua, director of the country's Department of National Parks and equivalent reserves in the Brazilian Institute of Forestry Development, its 1982 J. Paul Getty Wildlife Conservation Prize. The organization cited the awakening of environmental concerns in the past decade, and especially the last three years, in Brazil, a country that only recently condemned such worries as curbs on its growth.

Mr. Nogueira said that three defoliants had been considered, one of which, Tordon, has a 25-percent chemical resemblance to the toxic Agent Orange used by the United States in Vietnam and now the subject of legal cases. However, Tordon, he said, does not have the high doses of dioxin that have been determined to be the most pernicious element in Agent Orange.

The contractors at Tucuruí, 225 miles (360 kilometers) inland from the Amazon port of Belém, are left with the problem of how to step up the pace of clearing to meet the deadline 14 months hence.

"They need more men and more saws," advised Mr. Nogueira.

In two years that the woodcutters have been at work, they have managed to extract only 21 million cubic feet (600,000 cubic meters) of wood of the 71 million cubic feet they should have removed. The company's intention is to market the hardwood and sell the less commercially attractive species for fuel.

Two ideas reportedly under discussion would be to attach buoys to the most marketable trees for removal after the lake is formed, and a vast operation using dirigibles.

Burning, another option, would create mineral nutrients that would provoke the proliferation of algae on the water's surface. The other feared chemical process, one that could produce a so-called "dead lake," is the absorption of oxygen by decomposing branches, leaves and shoots that would form corrosive gases.

Like many undertakings in development-minded Brazil, the dimensions of Tucuruí are awesome. Once complete, the \$4-billion dam will extend 25 city blocks and stand 30 stories high.

Bigger Nuclear Bombs May Be Tested in U.S.

New York Times Service

MERCURY, Nev. — Energy Secretary James B. Edwards says that the Reagan administration will continue to test nuclear bombs and that it may increase the size of the weapons tested if the Soviet Union improves its defenses.

Mr. Edwards made the comments Thursday after witnessing a nuclear bomb test for the first time. He said he found it "exciting."

The test was the first in two years to be opened to reporters. In response to a question, Mr. Edwards denied that his visit was timed to coincide for publicity reasons with the anniversary of the Aug. 6, 1945, bombing of Hiroshima and with the debate Thursday in Congress on nuclear issues.

In a news conference, he also said that Truman "made the right decision" 37 years ago in using nuclear weapons for the first time and promised that the Reagan administration would continue bomb tests.

Of critics of nuclear armament spending programs, he said, "I wish we had them in Red Square asking for a nuclear freeze. They don't allow that kind of political discussion over there."

"The thing they're talking about is the weapon that can preserve their ability for free political discussion," he said.

The nuclear weapon, which exploded 2,100 feet under the desert at Yucca Flats in the Nevada Test Site, produced the gentle wave-like rocking of the earth that has become familiar in the area in three decades of testing.

The test was the 11th announced this year. The blast force was said to be in the 20-to-150 kiloton range. One kiloton of force is equal to the explosive energy of 1,000 tons of TNT.

When asked if more tests were planned, Mr. Edwards replied, "That's a reasonable assumption." He added that "some of our weapons now are more than 20 years old."

He was asked if the United States might abandon its 150-megaton limitation on weapons it tests. He said it was not necessary to test more powerful weapons now but that larger bombs might be tested if "our opponents" advance programs of strengthening their cities against possible nuclear attack.

Fuel Experiment Visited

He also visited the site of an experimental program for burying spent fuel rods from nuclear reactors deep inside a mountain of granite at the Nevada Test Site.

Mr. Edwards said that "several companies," which he declined to name, had told him they would be



James B. Edwards

forced to close their nuclear plants in four or five years if some solution was not found to the problem of disposing of spent fuel.

The utilities have had to store the spent fuel in water tanks near their reactors, and storage capacity is nearly used up at some facilities.

Eleven spent fuel assemblies from a nuclear plant in Florida have been buried successfully in the experimental program, Mr. Edwards was told by test officials. If the \$24-million experiment is successful, it could lead to the establishment of a regional system for burying spent fuel, Mr. Edwards said.

"I'd like to see four or five burial sites around the country and then when people see they will work, they'll accept it," Mr. Edwards said.

Latin America and Its Huge Debt: When Do Loans Affect Politics?

(Continued from Page 1)

"were now hostages in the Third World, in the classic trap in which the banker is owed so much by his client that he has to keep lending him more to keep him alive..."

On top of this, some critics believe that foreign indebtedness forces a country to concentrate on producing exports to earn foreign exchange even though producing for its internal market might be better for its economic development.

One question is whether the foreign debt makes a Latin American government too dependent on creditors to have freedom of political action, and that brings up the issue of dependence on the United States. Can a Latin American country in deep debt afford to offend the U.S. government? Although banks in the United States have furnished only an estimated 40 percent of all loans to Latin America, other foreign bankers and the IMF are heavily influenced by the judgment of American banks.

Only Profits Count

Most Latin American officials maintain that foreign debt does not limit their policies. "I do not remember a single incident," said a Brazilian diplomat, "when we have been threatened on foreign policy because of our foreign debt." The bankers, according to these officials, tend to be apolitical. Only profits count.

Even the Argentine government has no complaint about the way most foreign bankers acted during the Falklands war.

"The financial community," said a minister of the Cabinet of former President Leopoldo F. Galerti, "did not side with the British during the crisis. They sided with us. Even the U.S. comptroller and secretary of the Treasury helped us in the crisis by staying publicly that Argentina was paying its bills. The attitude of the financial community was different from the political community."

Yet, during the crisis, some governments have been forced to pay the interest on their loans. For every dollar that Brazil, for example, earned on its exports last year, it had to use up 60 cents just to pay the interest on its debt.

Some Latin American social scientists, including Argentine Roberto Frenkel, an economist, and Guillermo O'Donnell, a political scientist, are troubled by the influence that the foreign loans seem to have on the political systems.

Influence on Politics

Usually, when a country finds itself in economic difficulty and needs a loan to repay other loans, it applies for help from the International Monetary Fund. The IMF, heavily influenced by conservative American bankers, often requires the government to promise decreased wages, a reduction in the budget deficit, a slowdown in the economy and a devaluation of the currency.

According to the writings of Mr. Frenkel and Mr. O'Donnell, these IMF programs help the governments pay back their loans but hurt wage earners and businessmen. This, many social scientists

insist, encourages the continuation of authoritarian governments such as those in Argentina, Chile and Uruguay that repress labor union activity and political dissent.

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Most Latin American officials maintain that foreign debt does not limit their policies. "I do not remember a single incident," said a Brazilian diplomat, "when we have been threatened on foreign policy because of our foreign debt." The bankers, according to these officials, tend to be apolitical. Only profits count.

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Yet, during the crisis, some governments have been forced to pay the interest on their loans. For every dollar that Brazil, for example, earned on its exports last year, it had to use up 60 cents just to pay the interest on its debt.

Some Latin American social scientists, including Argentine Roberto Frenkel, an economist, and Guillermo O'Donnell, a political scientist, are troubled by the influence that the foreign loans seem to have on the political systems.

Influence on Politics

Usually, when a country finds itself in economic difficulty and needs a loan to repay other loans, it applies for help from the International Monetary Fund. The IMF, heavily influenced by conservative American bankers, often requires the government to promise decreased wages, a reduction in the budget deficit, a slowdown in the economy and a devaluation of the currency.

According to the writings of Mr. Frenkel and Mr. O'Donnell, these IMF programs help the governments pay back their loans but hurt wage earners and businessmen. This, many social scientists

insist, encourages the continuation of authoritarian governments such as those in Argentina, Chile and Uruguay that repress labor union activity and political dissent.

On top of this, some critics believe that foreign indebtedness forces a country to concentrate on producing exports to earn foreign exchange even though producing for its internal market might be better for its economic development.

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Herald Tribune

Published With The New York Times and The Washington Post

The Squeamish Factor

From THE WASHINGTON POST

No sooner had Ronald Reagan received Israel's foreign minister to urge restraint in Beirut than, with the minister still in Washington, Israeli tanks shot their way across the "Green Line" into the besieged western part of the city. It could be simply the minor "improvement" of a military position that Israeli officials suggest, or an early stage of the major assault that the administration, deeply concerned about civilian casualties, has pledged with Israel to forgo.

Although the military point of the latest assault is not yet clear, the political point is. Israel insists that what is needed to bring a diplomatic ending to the PLO presence in Beirut and Lebanon is not military restraint but military pressure, and it feels that the expression of American reservations merely fortifies PLO hard-liners, undercuts Ambassador Habib and makes a military conclusion all the more likely. The word is being passed that Mr. Reagan is getting tough with the Israelis. By deeds and words alike, however, the Israelis betray a calculation that they can have their cake and eat it, too: Decimate the PLO, notwithstanding the human costs, and enjoy continuing American support.

Perhaps the Israelis are right. Perhaps they will accomplish their objectives of destroying the PLO, restoring Lebanon's integrity, making peace with Lebanon and moving on to bring West Bank Palestinians and Jordan into a successful Camp David negotiation. Perhaps the United States and even some Europeans and Arabs will come to appreciate Israel's toughness and daring. Perhaps —

here is the nub of it — it is inconsistent for the United States to look forward to the larger strategic fruits of the operation without tolerating Israeli tactics, harsh as they may be. The Israelis have that in mind when they brush off signs of American squeamishness and assert that on the goals of policy, the United States and Israel are agreed.

Except that being squeamish — accepting a moral standard, measuring ends against means — is an essential element of the American character and of American policy, in whatever administration. No argument of political convenience can alter that fact. That Mr. Reagan appears so eager to grasp a potential strategic opening that he cannot bring himself to protest Israel's assaults more effectively is not the end of the argument but its beginning. The question for Israel is not whether it can get away with its tactics but whether it should try to.

We are mindful of the assaults that others have made on Lebanon's hapless residents and of the element of self-denial that leaves a vastly superior Israeli force still parked on the outskirts of West Beirut six weeks after arriving on the scene.

Still, we believe that Israel is storing up deep resentments among Americans and others as, of course, among the immediate victims and among those it regards as its future diplomatic partners. We are not convinced, moreover, that such severe tactics are essential to the resolution of the Beirut crisis by diplomatic means. Israel takes a tremendous risk by continuing to employ them.

Some Modest Amendments

From THE NEW YORK TIMES

What a relief! It took Congress most of 200 years to get over the old-fashioned idea that the Constitution should be kept lean and flexible. Over the years, 9,400 constitutional amendments have been proposed but only 26 succeeded, and one of those repealed another. Now the Senate, at least, has passed the amendment requiring a balanced budget. With timidity conquered, it's high time to harness the Constitution over the years.

"It's been proven over the years," says Senator John East, the North Carolina Republican. "What we don't have the appetite to limit ourselves. Well, if a constitutional amendment can provide the necessary discipline over the budget, then other serious shortcomings can be similarly rectified."

For instance, all Americans probably agree that every able-bodied person deserves a job. The way to achieve that goal is now obvious. So far, Congress has meekly limited itself to considering legislation, like the Humphrey-Hawkins bill. How much mightier to add a Full Employment Amendment to the Constitution. Why, that would demonstrate sincerity as well as discipline.

Then there is the problem of the Post Office. There is no governmental responsibility more federal, and there is not a voter alive who has not cursed the slowness of the mails. With constitutional amendments swept away, let Congress adopt another amendment. Section 1 would be framed with classic simplicity: The mails shall be delivered on time. The spirit of the budget amendment, Section 2 could then provide some saving practicality: Congress may waive this requirement whenever three-fifths of the whole number of both Houses shall deem it necessary.

Congress could prove its concern about high interest rates by adopting an amendment that ordains low interest rates. Exactly how low could be left to the same unspecified authorities who would define which economic forecasts are to be used in calculating the constitutional budget balance.

These paltry suggestions do not exhaust the possibilities, nor if Congress now has the courage to make the Constitution truly weighty. There is rich grist for other amendments on national defense, and safe streets, not to mention piety in public places.

And when they are through, let the brave lawmakers turn their constitutional attention to another pressing concern. Sweeping back the tides may be impractical, but we sure could stand an amendment that does something about the weather, especially in August.

Other Editorial Opinion

A Superpower Solution

While in the long term it seems unlikely that a Palestinian settlement will be achieved without a Soviet part in the negotiations, in the next week or two the U.S. is unlikely to take much pleasure in Russian troops as part of an international peacekeeping force. The scope that may remain therefore is for combined American and Soviet diplomatic action, possibly through a jointly sponsored resolution at the U.N. setting up a peace force to supervise the evacuation of the PLO and Israeli forces from the whole of Lebanon. Under such sponsorship any country invited could safely join.

There do not seem to be any pickings for the superpowers in the immediate evolution of events in Lebanon: To sponsor a joint peace force would simply be a humanitarian act. Mr. Begin works on the assumption, always valid in the past, that threats from the United States will not be carried out and that Israel's interests will eventually be uppermost again in America's mind.

He might begin to take a little notice of the international pressure now built up against him if the Americans this time invited the Russians to work with them for the same purpose.

— The Guardian (London).



Budget Balancing by Law Is Foolish

By David Broder

WASHINGTON — After summarizing the copious arguments for the ratification of the Constitution in the last of the Federalist papers, Alexander Hamilton gave vent, briefly, to the emotions he felt as he contemplated the choice before the infant republic.

"A nation, without a national government, is, in my view, an awful spectacle," he wrote. "The establishment of a Constitution, in a time of profound peace, by the voluntary consent of a whole people, is a prodigy, to the completion of which I look forward with trembling anxiety."

Last week, almost 200 years after that prodigy of human statecraft came into being, the Senate of the United States voted for an amendment to the Constitution to require a balanced budget, except in time of

war or by vote of 60 percent of both houses of Congress.

And that is what a U.S. senator, John C. Tower of Texas, offered as a rationale for his vote:

"I think that the whole exercise on this constitutional amendment is the ultimate confession of failure on the part of the Congress of the United States. We are unable to discipline ourselves to do what we should do and, therefore, we feel constrained to try to institutionalize that discipline in the Constitution...."

"This is a matter that should not really be in the fundamental law of this land.... [But] there is a great deal of popular support for the submission of this amendment. Therefore, I think that we are obliged to submit it to a referendum of the people as they are represented in their

respective state legislatures. Because I think it should be submitted to such a referendum and because I think there should be a great national debate on this issue, I intend to vote to report the amendment. However, if invited by any state legislature in the country, I would be deeply delighted to testify against its ratification."

What a speech. And what a commentary on the condition of public life and leadership in this republic.

When we were a shaky seaboard society but recently liberated from colonial status, men of influence were prepared to risk "their lives, their fortunes and their sacred honor" to fight for the ratification of the Constitution.

Today, the rich and powerful United States is governed by people who, reducing their status to clerkships, are prepared — against their better judgment — to forward, for inclusion in that charter, any kind of simplistic scheme that they think commands a popular majority.

The point is not to condemn Sen. Tower. His own words do that. He was not more cynical, but more open, than many of the 69 senators who voted for the amendment, knowing it to be fundamentally wrong.

The convenient rationalization he offered was, in fact, adopted by the leaders of the Senate. Majority Leader Howard H. Baker, Jr., of Tennessee used it to solicit votes in his closing speech. Minority Leader Robert C. Byrd of West Virginia employed it in his after-the-fact explanation of his own tortured vote for the amendment.

Not to worry, they said. It is just a harmless little old constitutional amendment, which happens to shake the national government and prevents it from conducting a national economic policy. Just a little amendment which transfers from the majority to a minority of 40 percent the ultimate power to set fiscal policy, meaning, among other things, the capacity of America to defend itself and to secure the general welfare — the fundamental purposes of creating the national government.

But not to worry, they said. The House may not pass it. The legislators may not ratify it.

Don't you believe it. Cowardice is contagious, and the Senate has set a standard of spinelessness the election-jitters House will be only too happy to follow. Already, one hears House leaders saying that it might be politically smart to let the members vote for the amendment, in a slightly different form, to "protect themselves" for election purposes, and then hope that it dies in a protracted House-Senate conference committee.

But the conferees will not withstand the heat — nor will the state legislators — unless someone decides to stop the back-passing and vote on conviction. In the Federalist papers, Hamilton, quoting the English philosopher David Hume, explained that the procedure for amending the Constitution was made difficult so that "the judgments of many must unite in the work [and] experience must guide their labor."

But Hamilton did not reckon with the kind of leaders we have today, who are all too eager to suspend judgment, ignore experience and avoid responsibility.

The Washington Post.



By Enrico Jacchia

Italy: Weak on Politics But Stronger in Defense

ROME — The strong rivalry between Italy's Socialists and Christian Democrats within the five-party coalition has kept it yet another crisis and the Socialist ministers have resigned.

The government of Premier Ciriaco De Mita — Italy's 41st since the end of World War II — has all but collapsed.

The apparent reason is the rejection by a surprise vote in Parliament of a rather minor tax bill on oil products. Ironically, the crisis follows the passage of the government's economic austerity package, which marked a major achievement for the coalition.

After a series of stormy meetings, the Council of Ministers approved a budget plan, designed to reduce the public deficit and cut the huge government spending.

The budget for fiscal year 1983, which has been sent to Parliament for approval, contains a number of measures which will have to be taken by any new coalition government, if the nation is to avoid bankruptcy and keep its commitments to NATO.

According to the new budget, which is strongly criticized by the Communists, Italy's military expenditure will rise in absolute terms in fiscal 1983 with an unprecedented amount given over to the modernization of the armed forces.

Italy's armed forces must remain within the boundaries of the country, the Communists say, and be used solely to defend Italian territory. Any attempt to increase their mobility by creating, for instance, more paratroopers or to shift the defense strategy from the northeastern frontier to a more Mediterranean role will have an immediate impact on Italy's international position.

A stronger Italian defense apparatus would allow the rapid shifting of American naval and air forces to the Middle East, in an emergency, without jeopardizing the security of the southern flank of NATO. But this posture, in turn, would more closely link Italian foreign policy with the U.S. policy, which is precisely what front-runners today from the Christian Democratic left strongly oppose.

The debate in the Council of Ministers on the budget points to a number of key questions.

Defense Minister Lello Lagorio bluntly stated that Italy's armed forces are inadequate to face the dangers that might threaten the country from the south. "We are able to defend the Yugoslav frontier," he stressed, "but nothing more." He summed up his position in the following terms: "Italy is no longer the southern flank of NATO. It would be wrong even to say that the Mediterranean constitutes the southern flank, because the geostrategic situation has changed. The Mediterranean has become a part of the central front of the alliance, while the potential southern front stretches today from the Horn of Africa to the Gulf."

Lagorio's ideas seem to fall in line with the views that U.S. representatives have expressed at NATO meetings over the last couple of years: The Atlantic alliance has no competence beyond the southern shores of the Mediterranean and most European allies are reluctant to commit themselves beyond that line.

Does the defense minister's attitude reflect a change in the Italian government position in this most delicate field?

Letters intended for publication should be addressed to the editor, and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

Battle Lines Have Crossed The Moral Lines in Beirut

By Flora Lewis

PARIS — The trouble with righteousness about the war in Lebanon is that the moral lines have so little to do with the battle lines.

On one side are people being maimed and killed, children living in rubble without water in the intense summer heat.

On the other are leaders, telling heavily armed young men trained to obey without question that they are dying for their nation's survival, telling the rest of the world they are the saviors of justice.

The cynicism is almost as nauseating as the destruction, and far more evenly and widely spread.

Prime Minister Menachem Begin, in a fit of exaltation, tells President Reagan that he feels he is directing the equivalent of the final battle against Hitler in the Beirut bunker. "Asses, asses, never quite direct, almost admits that he is deliberately holding the people of West Beirut hostage to win points for his cause, the PLO's familiar tactics but on an unimaginable scale.

It is correct, as a correspondent from Beirut wrote, that "Operation Peace in Galilee" is an Israeli attempt to kill an idea, the idea of Palestinian nationalism. Reports from Washington said U.S. envoy Philip Habib went on the verge of getting a settlement when the latest Israeli attack was ordered. A compromise, without full humiliation of the PLO, would risk survival of the idea.

The object of the battle is not a section of Beirut with arsenals stacked in crowded apartment houses. It is not even Lebanon, which lived in strangely mute gangland for seven years because its leaders could not and would not establish responsible authority.

That might have cost the subsidies which rival groups received from rival outside interests, the profits, on all kinds of illicit trade, the satisfaction of sustaining old feuds.

The object is the West Bank of the Jordan where Defense Minister Ariel Sharon proclaimed "civil administration" in place of military government late last year. It provoked riots instead of applause because Arab residents saw it as a step to annexation, not release from occupation. Sharon blamed the PLO for the resistance.

In April, before the invasion of Lebanon, civil administrator Menachem Begin said he was "at war with the PLO, not the Palestinians" whose attitude he expected to change in time. He cited the change in Japanese attitudes on democracy after U.S. military occupation as a precedent, adding "we've only been at it for five months." But that was already nearly 15 years after Israel's 1967 victory, a victory that by no means brought unconditional surrender of all enemy forces.

It was the promise of retreat, not victory, that brought peace with Egypt. Now, there is talk in Cairo about reconsidering relations with Israel if the martyrdom of Beirut proceeds, and the response in Jerusalem is that any such Egyptian breach of the Camp David treaty would provoke immediate annexation of the West Bank and Gaza.

A senior PLO representative told me recently that he hoped for the martyrdom of Beirut, "because it would bring sympathy for the Palestinian cause and revulsion towards Israel. The PLO blocked United Nations food trucks for the population. It has its own reserves.

Beirut had become the terrorist capital of the world, outranking Libya. Israelis found about three times more PLO arms in Lebanon than there were men to use them. That was handy to barter for services with other terrorist groups, and how else could the PLO use the money it collected, often with threats?

On resettling people? The special United Nations organization (UNRWA) established to look after Palestinian refugees after Israel's establishment in 1948 is still going strong nearly two generations later, mostly on money from the United States because Arab leaders were opposed to resettlement. It would dilute the cause and maybe blunt the hatred.

The other Arab leaders are not saying much now, except for Libya's Qaddafi, who urged the PLO to "fight to the last breath." Silence, after so many years of rhetoric, can be cynical too.

Leonid Brezhnev sent a telegram to Arafat saying, "I convey to you my feeling of admiration at the courage and staunchness of all the defenders

of Beirut and ask to let them know about it."

The U.S. keeps telling Israel that it really ought to stop shooting and to show that Washington is serious about only using American arms for defensive purposes only if it has decided to ban further deliveries of cluster bombs (which Israel can make).

No doubt it is true that Washington cannot dictate Israel's behavior, as the rest of the world seems to suppose while each country advertises itself as the exception to this convenient rule of Yankee responsibility. But Washington has not even complained about its ally's objectives nor done anything visible to redeem the tragedy by an initiative to extract a larger peace from the ashes.

The lines of battle and interest are clear enough. The only innocents are those always at the wrong end of the stones being cast. There is no virtue to support here. Let's just admit it and try to stop the slaughter.

The New York Times.

Kenya Fails Black Africa And the West

By John Peer Nugent

WASHINGTON — There is great tragedy in last week's attempted coup in Kenya. It is a painful setback for the West, for moderation, for those who pray that tribalism in Africa is subsiding, and for those who, for years, have used Kenya's model multiracial ways, in arguments with the white domineers who run South Africa's government.

Mostly, though, it is a blow to black Africa itself. Here was a nation of 48 tribes pulling together to make a land not greatly endowed with mineral wealth work. Nairobi was a model of racial peace. U.S. businesses lined up to place investments.

What had been all the more remarkable about Kenya to the West and to much of Africa was how it rose, at independence in 1963, from an almost fabled position of potential violence. It was not only known for big-game hunting and wildlife but also for a bloody period in the 1950s of the Mau Mau troubles. When Jomo Kenyatta came to power as the first president, the British expatriates began to talk about leaving. Because Kenyatta once spent time in the Soviet Union in the 1920s, some were sure he would go Communist.

But nothing like that happened. The blacks did not lose or rape. Kenya openly welcomed the West. But shortly after Jomo Kenyatta died in 1978 and Daniel Arap Moi, the compromise candidate selected to keep peace between the powerful and aggressive Kikuyu and Luo tribes, became president, Kenya's history began to fade. Droughts blighted the healthy produce export business.

A shortage of foreign exchange developed. Politicians got greedy. And an open-one society began to close in on dissidents: intellectuals, students, lawyers and journalists were silenced and detained without trial began. On June 9, the Parliament declared Kenya a one-party state. Oginga Odinga, the old Luo tribe warlord thought to be a communist by some (and a capitalist by others) was expelled from Moi's party.

That seemed to do it for the 2,000-man army force. As so often has happened in unhappy Africa, the military men decided to clean house.

They waited for what is everywhere considered a propitious time to stage a coup: When the "old man" is out of town. On Aug. 1, Moi was scheduled to be in Libya for a summit meeting of African heads of state. The plot to overthrow Moi was not.

It started as a classic coup. Soldiers seized the post office (where the telecommunications are located) and the radio station. Before many shots were fired, an announcer declared the deposing of the "corrupt" government of Daniel Arap Moi by the "National Redemption Council." Two hours later it was over. The army remained loyal.

But the damage has been done. As far as world image is concerned, there's not much left for Kenya now after such gross expectations.

The writer is a former Newsweek Africa bureau chief.

Los Angeles Times.

France, U.S. Reach for Their Guns Over Culture

By William Pfaff

PARIS — The United States and France have been fighting at the big Unesco conference on cultural policy in Mexico City.

France's minister of culture, Jack Lang, called for international resistance to "a multinational financial dominating system" and a "global kingdom of profits," naming no names, but leaving no doubt as to the capital of that kingdom.

The U.S. ambassador to Unesco, Jean Gerard, replied that while the United States was not looking for trouble at the conference, it deplored ideologically-motivated polemics and "shopworn, mindless clichés." Her deputy suggested a debate between the delegations, which would have pitted actor Charlton Heston and writer James Michener against the best France could field. This probably was not a good idea.

There is a comical aspect to this, and there is a commercial one. The U.S. delegation forcefully argued against restricting cultural interchange or attempting to set international norms in these matters. Involved in this are major U.S. film and television interests.

A good many countries, especially in the Third World (France is perfectly capable of looking after itself), find their cinema theaters showing almost nothing except American films. Their television consists mainly of dubbed Hollywood cops and robbers. So far as ordinary people in these countries

are concerned, these spectacles might as well be from the moon. But they offer speed, violence, exotic settings, automobile chases and crashes, beatings and murders — and are a lot cheaper, and more glamorous, than a poor television network than anything it could produce at home.

These countries also complain that the big international press agencies, all of them U.S. or Western European, report about them almost entirely in terms of coups and dictatorships, scandal, East-West competition, or national catastrophe, and that as a result this is the way the rest of the world is led to see them.

Unspoken in this complaint is also the fact that for most of these governments, the press is expected to be, and nearly always is, an agency of propaganda and uplift, telling people the good things their leaders are doing for them, and instructing people in what they are expected to do for their leaders. (Mr. Lang might have noted traces of this even in France's television.)

There is something in these complaints. Certainly the world would be a better and happier place without most U.S. television programs. U.S. television, 30 years ago inventive, pioneering, even intelligent, today has become puerile, apish, and sometimes vicious. Except for its admirable news programming, commercial

television has mostly become a corrupt and corrupting force.

U.S. films are a different matter. The junk and drivel is also accompanied by original and sometimes brilliant work, and even Mr. Lang might concede that it represents a powerful creative force. Over the past 75 years, the U.S. cinema has earned its international importance on merit.

But in matters of both film and television, countries even now surely can choose what they accept. The United States government does not compel Filipino, or for that matter French, television to carry "Dallas" or "Star Trek" or "American Gladiators." If they don't like American culture, they should take Mr. Lang's advice and do without it. The news controversy is a more serious matter.

But the dispute between the French minister and the ambassador of a conservative U.S. administration has its source in two ways of looking at the role of government. Americans have always looked upon culture as a spontaneous expression of forces within the society, including commercial forces, and they have always been hostile to the notion of governmental cultural policies or cultural direction (or censorship).

The American tradition has it that government poses a potential threat to culture, because a government-dependent cultural institution is open to

political misuse. Jack Lang would undoubtedly say that cultural institutions dependent upon the patronage of the rich, or of big corporations, or a purely commercial popular entertainment, is much more dangerous than when the government is patron.

The American hostility to government intervention in matters cultural (to say nothing of matters commercial) is old. It is part of that passionate faith in individualism and enterprise remarked upon by another distinguished Frenchman a long time ago, Alexis de Tocqueville. He said, "I readily admit that Americans have no poets. I cannot allow that they have no poetic ideas. The American people, he went on, find poetry in the 'lowly march across the wide, draining swamps, turning the course of rivers, peopling solitudes, and subduing nature.' This suggestive image of themselves does not meet the gaze of Americans at intervals only; it may be said to haunt every one of them in his least as well as his most important actions and to be always flitting before his mind."

He concludes, "Nothing conceivable is so petty, so insipid, so crowded with petty interests — in one word, so anti-poetic — as the life of a man in the United States. But among all the thoughts which it suggests, there is always one that is full of poetry."

International Herald Tribune.

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Aug. 7: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: French in Casablanca

TANGIER, Morocco — As a guard party for the French Consulate was being embarked from the French cruiser Galilee, it was received with rifle fire by the natives. The Galilee then bombarded the Moorish quarter and the environs of Casablanca. The number of men landed was 100 and six French seamen and an officer were wounded. The town had been invaded by the marauding tribesmen. Maley Amin, the new Pasha, who entered the town with a few soldiers, declared that he could not answer for the maintenance of order or the good behavior of the tribesmen. He stated that he could not even guarantee the fidelity of his own troops.

1932: Los Angeles Olympics

LOS ANGELES — A throng of 100,000 cheering sports enthusiasts filled the huge Olympic stadium here for the final track events of the week's Olympic program, on which the marathon figured as the outstanding contest. But terrific speed in the men's relay was more than enough to maintain popular interest while the long-distance runners were pacing off their 26 miles. Zabala, the Argentine star, is one of the favorites to take the event. The U.S. quartet in the 100-meter relay, Kiesel, Toppino, Dyer and Wykoff, galloped over the cinders and passed the baton to each other in perfect style, finally breaking the tape in the exceptional time of 40 seconds, a new world and Olympic record.

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Friday's AMEX Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

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Aug. 6

Closing prices in local currencies.

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(Continued on Page 9)

EUROPE

...and the fact that the ...

SPORTS

Oberkfell, Mura Down Pirates for Cards, 7-3

Compiled by Our Staff From Dispatches
ST. LOUIS — Ken Oberkfell hit a pair of two-run doubles and Steve Mura pitched a four-hitter as the St. Louis Cardinals beat the Pittsburgh Pirates, 7-3, here Thursday night in a game called after a rain delay of two hours 15 minutes.

Oberkfell's hits, in the second and third, came off Larry McWilliams (7-5). David Green, just called up from Triple-A Louisville, singled and doubled for the winners.

BASEBALL ROUNDUP

scoring twice and driving in a run. Mura (9-7) struck out five and walked two.

Pirate Manager Chuck Tanner was dissatisfied with the way the umpires handled matters. On a yellow pad, he made detailed notations of how hard it was raining and when the lightning, which flashed periodically, had started. He said he would ask Pittsburgh General Manager Harding Peterson to protest the game.

Said Bob Engel, the umpires' crew chief: "There were two storms coming back-to-back. We waited two hours, and we think that was fair. It didn't ease off."

Dodgers 3, Braves 2

In Los Angeles, Ron Cey's sacrifice fly with one out in the 10th gave the Dodgers a 3-2 triumph over Atlanta.

Expos 9, Phillies 2

In Philadelphia, Joel Youngblood drove in three runs and Tim Lincecum hit his first career grand slam home run to highlight an 18-hit attack and help Montreal snap a three-game losing streak with a 9-2 rout of the Phillies.

Cubs 5, Mets 1

In Chicago, Randy Martz pitched a two-hitter and Jay Johnson hit a two-run homer to lead the Cubs to a rain-delayed 5-1 triumph over New York.

Reds 4, Padres 2

In San Diego, Tom Seaver won for the fifth time this season and Johnny Bench hit a three-inning home run to lead Cincinnati past the Padres, 4-2. Seaver is now 32-7 lifetime against San Diego.

Giants 5, Astros 2

In San Francisco, Bill Laskey pitched seven shutout innings and Greg Mendenhall gained his 19th save

to lead the Giants to a 5-2 decision over Houston.

Orioles 5, Royals 1

In the American League, in Baltimore, Jim Palmer pitched a three-hitter to spark the Orioles' 5-1 victory over Kansas City. Palmer (9-3) had a no-hitter through five innings, but Jerry Martin doubled down the left-field line leading off the sixth.

Twins 8, Angels 6

In Anaheim, Calif., Ron Washington hit a three-run homer in the third to spoil Luis Tiant's return to the majors and Mickey Hatcher delivered a pair of run-scoring singles to propel Minnesota to an 8-6 triumph over California.

Rangers 7, Yankees 2

In New York, Dave Hostetler drove in four runs — two coming on a first-inning home run — and Charlie Hough scattered eight hits over seven innings to lead Texas over the Yankees, 7-2.

Tigers 5, Blue Jays 2

In Detroit, Jerry Turner hit a two-run home run and singled in the final run of a three-run home run as the Tigers downed Toronto, 7-4, to sweep a doubleheader. In the opener, Jerry Ujdr pitched a seven-hitter and Rick Leach doubled home two runs to pace Detroit's 5-2 victory.

Major League Standings

National League			
Team	W	L	Pct.
Philadelphia	41	44	.481
St. Louis	40	45	.471
Pittsburgh	39	46	.460
Montreal	38	47	.448
New York	37	48	.436
Chicago	36	49	.424
Atlanta	35	50	.412
Los Angeles	34	51	.400
San Diego	33	52	.389
San Francisco	32	53	.377
Houston	31	54	.366
Cincinnati	30	55	.354
Washington	29	56	.343
Arizona	28	57	.331
San Francisco	27	58	.320
Los Angeles	26	59	.308
San Diego	25	60	.297
San Francisco	24	61	.285
Los Angeles	23	62	.274
San Diego	22	63	.262
San Francisco	21	64	.251
Los Angeles	20	65	.239
San Diego	19	66	.228
San Francisco	18	67	.216
Los Angeles	17	68	.205
San Diego	16	69	.193
San Francisco	15	70	.182
Los Angeles	14	71	.170
San Diego	13	72	.159
San Francisco	12	73	.147
Los Angeles	11	74	.136
San Diego	10	75	.125
San Francisco	9	76	.113
Los Angeles	8	77	.102
San Diego	7	78	.090
San Francisco	6	79	.079
Los Angeles	5	80	.068
San Diego	4	81	.056
San Francisco	3	82	.045
Los Angeles	2	83	.033
San Diego	1	84	.022
San Francisco	0	85	.010



Gary Player, right, offers congratulations to Ray Floyd on the leader's record-breaking first-round 63 in the PGA tournament.

Floyd, on Record 63, Leads PGA by 3

By Gary Pomcrantz

WASHINGTON Post Service
TULSA, Okla. — It was the kind of situation that sentences men to breaking down, not breaking par.

Again, the heat was condemning Thursday — a typical dipso through Tulsa at 102 degrees Fahrenheit (39 C). And the par-70 Southern Hills Country Club was its usual conspiring against counting 6.62-yard golf. But Ray Floyd played it cool. And straight.

Missing only three fairways, two greens and no opportunities, Floyd shot a course record 63 to take a three-shot lead over Bob Gilder and Greg Norman after the first round of the 64th Professional Golfers Association championship.

"It's the best round of golf I've ever played," said Floyd of his 33-30 masterpiece.

"I've had two weeks off. I'm rested. This is a surprise to me. I knew my game was in shape."

Floyd was the best-ever first-round PGA championship score, breaking Bobby Nichols' 64 in 1964. It also tied Bruce Crampton's second-round 63 in 1975 for

the best-ever round at a PGA championship.

Four shots behind Floyd were Nick Faldo, Rex Caldwell and Fred Couples (who shot a PGA-record 29 on the back nine). Vance Hearner, Mark Pfeil, John Jackson, Jim Simons and David Graham are at 68; the group at 69 included Tom Jenkins, Dan Halldorson, Jim Booros, Mark Hayes, Isao Aoki and Calvin Peete.

Only 17 of the field of 150 bettered par.

While Floyd was embarrassing the course — he had nine straight 3s, from Nos. 6 through 14 — the course was embarrassing almost everyone else.

There was Jack Nicklaus (a 74), depositing a 5-iron fairway shot into the pond by the 13th green. Of the double-bogey hole and his miserable round in general, Nicklaus said, "Basically, I got what I deserved. I'm not history yet. But I feel like it."

There was Hale Irwin (a 73) missing a 6-iron from the 15th fairway to the 16th tee, then chopping a chip over a trap and past the 15th green. The ball stopped by the leader board — the closest Irwin, who has earned \$2 million in his career, got to the board all day.

Then there was Tom Watson, in search of his first PGA title and his record-tying third grand slam victory this year. Watson shot a 72.

Said he: "The golf course won today."

By the time Watson teed off on the first hole, Floyd was in the interview tent. "The fact I'm sitting here at seven-under puts pressure on the guys just getting started,"

he rightly observed. "If they bogey the first hole, they're already eight shots back."

Floyd ranks fourth on the 1982 tour earnings list (\$240,409) and has already won the Memorial Tournament and the Memphis Classic. Thursday he played a classic round: 11 pars, seven birdies.

After paring the first six holes, Floyd, 39, set off on a streak that bettered par again and again. He birdied Nos. 7, 9, 10, 12, 13, 16 and 18.

Perspective

With the heat seemingly hot enough to split the woods and melt the irons in his hands, Floyd kept a wet towel around his neck and his drives in the fairway.

His birdies on No. 12 and No. 18 — Southern Hills' most feared and revered par fours — put Floyd's round in perspective.

The 444-yard 12th is a dogleg left with a green protected by a creek in front and enveloped by three traps. Arnold Palmer, who shot a 74 Thursday, has called it one of America's best par fours.

Palmer made the hole famous in the 1970 PGA, when he put his second shot into the weeds by the creek and then kept his shoes on while standing knee-deep in water to hit his third. He said then, "I was worried about a snake biting me in the foot."

Thursday, the 12th left a lot of players snake-bitten. Both Nicklaus and Watson double-bogeyed it; Tom Kite and Bruce Lietzke, both with 73s, bogeyed it, as did many others.

Floyd simply hit his driver 260 yards down the fairway and then dropped a five-iron to within 15 feet of the hole to set up a birdie.

On the 434-yard 18th, a severe dogleg right with a fairway that rolls unforgivingly to the right and with a green that tilts errant putts somewhere near Oklahoma City, Floyd hit another excellent drive before putting a 6-iron to within 10 feet — another birdie.

Floyd is known for holding a lead once he gets it ("I'm more aware when I'm ahead early, that's all"). He said after the round that broke the course-record 63s he and Lee Trevino shot in 1970: "I'm much more in control now than ever before. Maybe it's maturity, maybe it's experience. It is my 20th year on the tour."

"I'm not an analyzing person, but you have to recognize your strengths and liabilities."

"Every player will say Nicklaus has beaten them through the years with his head."

Thursday, Nicklaus was scratching his head. He played the final 11 holes like the Americans played the Battle of the Bulge — bunker to bunker. He also spent his share of time in the Bermuda-grass rough. "The last time I remember any rough being this bad," Nicklaus said, "was the last time I played here."

Gilder shot a enviable round of equilibrium (33-33), yet still had a warning for the merry minority who bettered par: "This golf course will catch up with them. I'd be happy to finish the tournament at four-under."

But Floyd was ready to keep playing it straight the way I'm playing is something that will go sour in my sleep tonight," he said. "It's the best golf I've ever played. It's a great time to play it, too."

Arraya Upsets Wilander, 7-6, 7-6

The Associated Press
INDIANAPOLIS — Pablo Arraya of Peru, mixing strong forehand slams with unerring drop shots, upset third-seeded Mats Wilander of Sweden, 7-6, 7-6, Thursday in the third round of men's singles at the U.S. Open Clay Court tennis tournament.

Arraya will play No. 3 seed Jose

Higuera of Spain in Friday's quarterfinals. Another quarterfinal match will pit second-seeded Jose Luis Clerc of Argentina, the two-time defending champion, against seventh-seeded American Mel Purcell, who has lost here to Clerc in each of the past two years.

In a match that lasted nearly three hours, the No. 2 women's seed, Kathy Rinaldi, ousted fellow American and No. 13 seed Susan Mascanti, 6-4, 1-6, 6-4, to advance to Friday's semifinals.

The top-seeded women, Romanian Virginia Ruzici, rallied from a 4-1 deficit in the first set to down Michelle Torres of the United States, 7-5, 6-2.

Clerc gained the quarterfinals only after losing the first set, 6-7, to Guy Forget. Clerc won the final two sets, 6-3, 6-3. "I'm really tired. I had to work hard," Clerc said of his match with the 17-year-old Frenchman.

Purcell, who lost to Clerc in the final round two years ago and in the quarters last year, took out American Jimmy Brown, 6-3, 6-4. Higuera, runner-up to Jimmy Connors in the 1978 tournament, moved to the confrontation with Arraya by beating Gilles Moretton of France, 6-3, 6-3.

Arraya, 20 and seeking his first major championship as a professional, beat the favored Wilander in two tie-breakers. The 17-year-old Wilander, who is ranked ninth in the world after winning the 1982 French Open, was leading, 5-4, and was within one point of taking the second set. But Arraya held serve and tied the set at 5-5 and 6-

6 before winning the tie-breaker seven points to five.

In other women's quarterfinal matches, Bonnie Gadusek, the No. 4 seed, had an easy time with South Korean Duk Hee Lee, 6-2, 6-0, while No. 7 seed Helena Sukova of Czechoslovakia coasted past Australian Dianne Fromholtz, 1-6, 6-3, 6-4.

Thursday's Line Scores

AMERICAN LEAGUE

Team	W	L	Pct.
Minnesota	40	45	.471
California	39	46	.460
Ottawa	38	47	.448
Toronto	37	48	.436
Seattle	36	49	.424
Los Angeles	35	50	.412
San Diego	34	51	.400
San Francisco	33	52	.389
Houston	32	53	.377
Cincinnati	31	54	.366
Washington	30	55	.354
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Los Angeles	3	82	.045
San Diego	2	83	.033
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Los Angeles	0	85	.010

NATIONAL LEAGUE

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BASEBALL

TEXAS — Placed Mickey Rivers, outfielder, on the 21-day disabled list. Recalled Terry Boggs, outfielder, from Denver of the American Association.

CHICAGO — Designated for assignment Otto Velez, designated hitter, purchased from the Montreal Expos.

ST. LOUIS — Outfielder The London, outfielder, to Louisville of the American Association and recalled David Green, outfielder.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

BUFFALO — Released Darv Wilkerson, nose

Driver

Davis, 18, broke the record of 2:15.11 set in 1976 by David Wilkie of Britain. Davis' effort also erased Wilkie's meet record of 2:18.31 set in 1978.

Davis indicated that he had worked on his turns since finishing second in the 100-meter

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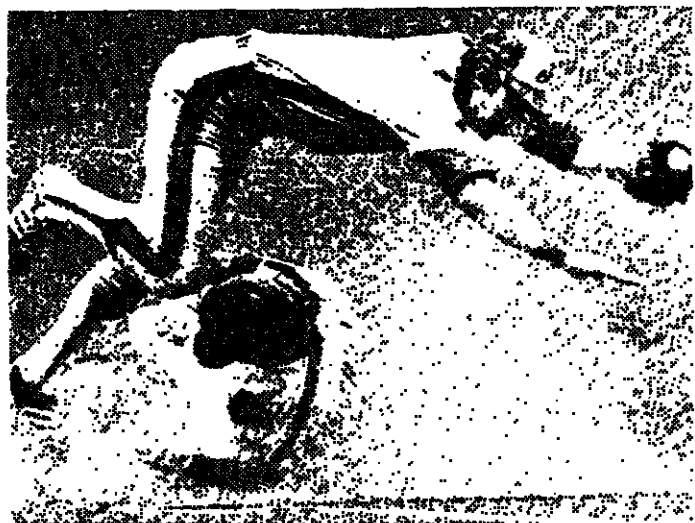
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FOOTBALL

NATIONAL FOOTBALL LEAGUE

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Shortstop Chris Speier held the ball long enough to get the Phils' Manny Trillo on a first-inning force Thursday in Philadelphia.

Canadian Sets Record in 200-Meter Breaststroke

Compiled by Our Staff From Dispatches

GUAYAQUIL, Ecuador — Victor Davis of Canada turned in a time of two minutes, 14.77 seconds to break the world record in the men's 200-meter breaststroke Thursday night at the World Swimming Championships Meet in the U.S. 400-meter relay team set a world mark of 3 minutes, 19.26 seconds.

Rowdy Gaines, the world-record holder in the men's 100-meter and 200-meter freestyle who

